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SOURCE Jen-min Jih-pao.

COMMODITY EXCHANGE IMPROVES,
PURCHASING POWER RISES IN NORTHEAST

The state-operated trade agencies of the Northeast have been successful in carrying out the policies of the Ministry of Trade, People's Republic of China, with regard to "expanding internal markets and stimulating trade between urban and rural areas." Large quantities of surplus grain and local products were purchased, and local needs for industrial goods were satisfied. Private merchants have taken an active part in the buying and selling. This has been accompanied by a steady rise in local purchasing power.

Favorable conditions for the planned buying and selling of surplus grain have been created by the increased control of the government over trade during the fall of 1950. The state-operated Provisions Corporation has extended its activities beyond the Great Wall, thereby finding an outlet for surplus grain in the cotton areas. Fifty thousand catties of grain were sold on credit to farmers in economically productive areas; the credit was used to purchase cotton and other items. From the fourth quarter of 1950 to the second quarter of 1951 the state-operated Provisions Corporation and its cooperatives bought approximately two thirds of the farm produce. Some grain was sold at fixed prices, but the rest was marketed by the farmers themselves. Northeast grain and produce represent 45 percent of the farmers' purchasing power. The activities of the state-operated Provisions Corporation have raised farmers' income in the Northeast.

Another important feature involving urban and rural commodity exchange is the variety and quantity of goods produced in the Northeast. Representatives of every economic activity held meetings at the request of the Northeast People's Government. The meetings were attended by members of the CCP and of the Central People's Government, with the avowed policy of "expanding domestic markets." The technical conferences covered such matters as management, joint control, distribution, broadening of private markets on small-profit basis, etc. Methods were adopted to divide enterprises into categories and to manage local goods through agencies. Tax rates were reduced on some goods. Railway rates were standardized in some areas to increase the general flow of goods. Loans through national banks have been increased. The state-operated Trade Corporation succeeded in unifying loans and currency to stimulate trade in local goods. As a result of these activities, the exchange of goods is increasing daily.

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In Ch'ang-ch'un, when a catty of pork sold at 3,578 yuan, the average daily sales amounted to 89 hogs; when the catty fell to 3,200 yuan, the average daily sales were 137 hogs. The average daily profit per store rose from 18,240 yuan to 25,770 yuan, an increase of 41 percent. As the quantity of animal sales increased, the tax return increased by 30 percent. In Heilungkiang Province, formerly 12 families sold chickens in a small market; now the number of families so engaged has risen to 18. New markets have been found for eggs, hemp, beans, peanuts, and sunflower seeds. There is a shortage of medical supplies in Kirin and T'ao-nan. In the Port Arthur-Dairen region of Liaosi Province, apples are plentiful and bring three times the 1950 price.

The expansion of farm economy, with its accompanying rise in purchasing power, has increased the demand for industrial goods. As a result, industrial wages have also risen. Data from the state-operated trade agencies show that necessities furnished to urban and rural communities were five times the amount furnished for the corresponding period of January to May 1949. Sales of ordinary printed cloth increased by 70 percent; general merchandise by 75 percent; industrial equipment increased five times, and coal, one third. The over-all value of goods and necessities supplied to rural and urban areas show an increase of 28.5 percent for the first quarter of 1951 over the fourth quarter of 1950.

The second quarter of 1951 shows an increase of 32.1 percent over the first quarter. Some notable surpluses for this period are fine cloth, dyed cotton piece goods, granulated sugar, paper, needlework, rice, flour, bean oil, and industrial supplies. Fine cloth and dyed cotton piece goods accounted for 54 percent of all cloth sold during the first quarter of 1950, and 71 percent for the same period in 1951. Fine cloth accounted for 87 percent of all cloth sold in local markets. Rice sold during the first quarter of 1951 amounted to 280 percent of the rice sold during the same period in 1950. The second quarter increase was 203.9 percent of the same period in 1950.

Wheat flour sales for the first quarter of 1951 were 153.8 percent of the same period in 1950. Wheat flour sales for the second quarter of 1951 were 270.1 percent of the corresponding 1950 figure. Bean oil sales for the first quarter of 1951 were 204.6 percent of the corresponding 1950 figure and 161.7 percent for the second period. The state-operated Harbin Trade Corporation reported that sales from January to May 1951 equaled two thirds of the total 1950 receipts.

Sales during the first quarter of 1951 were eight times greater than during the first quarter of 1950. The receipts of April and May 1951 were already 80 percent of the receipts of the first quarter. The Industrial Service Association [Kung-yeh Fu-wu She] sold 10,000 account books in 1950. During the first 5 months of 1951, they sold 30,000 account books. They acted as agents in the sale of chemical industrial materials, and during the first 5 months of 1951 sold four times the amount sold during 1950.

Private business has expanded with government-controlled trade. In Mukden, Harbin, Kirin, Ch'ang-ch'un, and Tsitsihar sales for April and May 1951 equaled 81 percent of the sales for the first 3 months of 1951. The April production of the privately operated ironworks at Pen-ch'i was six times that of January. Business receipts in Harbin amounted to 54 billion [yuan] for the month of January. One agency reported the following sales; 300 billion [yuan] for February, 600 million [yuan] for March, 800 million [yuan] for April, and 1.3 billion [yuan] for May. This reflects a great increase in business activity. The increase in business for tea, vegetables, fish, and meat were considerable.

The top salary for skilled workers in four rubber plants in Mukden was 196 parity units; it is now 270 parity units. Salaries rose 28.33 percent from February to April 1951 in model factories at Liu-ching-kao. At the

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time of the liberation, warehouse skilled workers' salaries stood at 90 parity units; at present they have risen to 270 parity units. It is a common thing for a family of five to eat rice and own a bicycle. A study made in the residential district of An-shan showed that 50 percent of the residents eat fine grain daily and 25 percent eat half fine and half coarse grain (millet, potatoes, etc.). The remaining 25 percent eat well on Sundays.

In the first 5 months of 1951, the Pen-ch'i General Merchandise Corporation sold 5,000 yuan of scented soap, as compared with an average of 1,500 yuan in previous years. There is a lack of Hua-ta wool [possibly worsted] which is preferred to the dark fine cloth or the blue drill. Thirty percent of the cotton farmers in several villages of Liaosi Province are planning to repair or build houses. Many of them have a stone foundation and brick walls. Sixteen percent of the farmers in the Pei-p'iao district of Jehol have carts and horses, with surplus goods to sell.

Purchasing power has steadily increased in both urban and rural areas. It has increased more rapidly in the city than in the country. Local products are ahead of grain and foods. General merchandise leads such commodities as grain and coal. It may be anticipated that the second half of 1951 will be more active than the first. Purchasing power should be at least 40 percent more in the second half of 1951 than in the first. Patriotism should stimulate greater productive competition among farmers. The state-operated trade agencies will be faced with the task of providing efficient leadership for this increased activity. Wholesale trading centers should be set up to meet district needs and people's stores should be organized at various levels to meet popular needs. The leadership of state-operated trade agencies should aim at fusing cooperatives and private businesses.

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